



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Approving the NCPA Renewable Energy Certificates Transfer Agreement and Authorizing Execution by the City Manager with Administration by the Electric Utility Director

MEETING DATE: July 6, 2011 ■

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution approving the NCPA Renewable Energy Certificates Transfer Agreement and authorizing execution by the City Manager with administration by the Electric Utility Director.

BACKGROUND INFORMATION: The City of Lodi is a Project Participant in several NCPA generation facilities. Lodi has full and unfettered rights and title to its Project Entitlement Percentage of the Capacity and Energy attributable to NCPA project generation, as specified in the respective NCPA Project Agreements. Such project Capacity and Energy may include renewable and environmental attributes, including Renewable Energy Certificates (RECs). RECs are a certification, by an independent third party, that Lodi owns energy that meets the State's renewable energy standard. Lodi is also eligible to receive RECs made available to the customers of the Western Area Power Administration's Sierra Nevada Region ("Western") attributable to Western Base Resource hydroelectric generation.

NCPA has established an account with the Western Renewable Energy Generation Information System (WREGIS), and has been, and will continue to be, issued RECs by WREGIS sourced from NCPA's Registered Generating Units. Such RECs are initially issued to and are held by NCPA in its WREGIS account. In addition to RECs attributable to NCPA project generation, NCPA may, on behalf of Lodi, be transferred RECs from Western attributable to Lodi's share of Western Base Resource hydroelectric generation, consistent with Lodi's assignment of its Western Base Resource percentage to NCPA.

Lodi will utilize RECs to satisfy the State's renewable energy standard. In addition, excess RECs may have certain monetary value. As a result, Lodi has requested that NCPA transfer to Lodi its share of RECs held in NCPA's WREGIS account. Other NCPA Members have made similar requests. In order to clearly specify the terms and conditions under which NCPA will transfer RECs to Lodi, NCPA has developed the Renewable Energy Certificates Transfer Agreement. In order for Lodi to receive RECs transferred from NCPA, Lodi has established an account with WREGIS and needs to execute the Renewable Energy Certificates Transfer Agreement with NCPA.

In accordance with the Renewable Energy Certificates Transfer Agreement, Lodi will request NCPA to transfer Lodi's share of RECs attributable to NCPA project generation and Western Base Resource hydroelectric generation held by NCPA in its WREGIS account to Lodi's WREGIS account. Lodi has already established its own WREGIS account to accommodate the "Interim Agreement for Northern California Power Agency Geothermal Projects Numbers 2 and 3 Transfers of Renewable Energy

APPROVED:

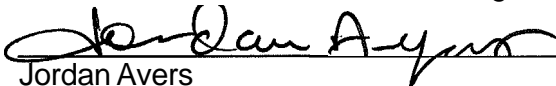

Konradt Bartlam, City Manager

Certificates (RECs)" approved in Resolution No. 2010-217. The Renewable Energy Certificates Transfer Agreement solely provides for the transfer of RECs and does not include services from NCPA to sell or market RECs on behalf of Lodi. Once Lodi has executed the Renewable Energy Certificates Transfer Agreement with NCPA, Lodi will request a transfer of RECs by submitting a written request to NCPA using the Renewable Energy Certificates Transfer Request form included as part of the agreement.

Once the RECs are received by Lodi, Lodi can retire these RECs to satisfy its portion of the State's renewable energy standard. Also if Lodi has RECs which are in excess of those needs, Lodi may sell those excess RECs.

FISCAL IMPACT: By executing the Renewable Energy Certificates Transfer Agreement, Lodi agrees to pay NCPA for Lodi's share of all costs NCPA incurs for providing the services described in the Renewable Energy Certificates Transfer Agreement. Such costs include REC transfer fees, direct costs associated with the management and transfer of RECs, NCPA management costs set forth in NCPA's then current Annual Budget, and any other reimbursable expenses incurred in performing the services provided pursuant to the Renewable Energy Certificates Transfer Agreement. Based on the number of RECs likely to be transferred from NCPA to Lodi, it is currently estimated that Lodi's cost for receiving a transfer of RECs from NCPA pursuant to the Renewable Energy Certificates Transfer Agreement will be minor.

FUNDING AVAILABLE: Included in Fiscal Year 2011/12 Budget Account No. 160642.


Jordan Ayers
Deputy City Manager/Internal Services Director


Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Matt Foskett, Manager, Rates and Resources

EAK/MF/lst



**RENEWABLE ENERGY CERTIFICATES TRANSFER AGREEMENT
BETWEEN
NORTHERN CALIFORNIA POWER AGENCY
AND
CITY OF LODI**

This RENEWABLE ENERGY CERTIFICATES TRANSFER AGREEMENT ("Agreement") is made by and between the NORTHERN CALIFORNIA POWER AGENCY ("NCPA"), a joint public powers agency with offices located at 651 Commerce Drive, Roseville, California and City of Lodi, with offices located at 1331 South Ham Lane ("Contracting Member") (together sometimes referred to herein individually as "Party" and collectively as "Parties") as of _____, 2011 (the "Effective Date") in Roseville, California.

Section 1. RECITALS

This Agreement is entered into based on the following facts, among others:

1.1 NCPA is a public agency created by a joint powers agreement established under California law for the purpose of assisting its members in the efficient use of their common powers.

1.2 Contracting Member is engaged in, among other things, transmitting and distributing electric power in its corporate limits. Contracting Member is also a member of NCPA or a Project Participant. Contracting Member desires that NCPA provide Contracting Member with the Services described in this Agreement.

1.3 Article III, section 3 of the "Amended and Restated Northern California Power Agency Joint Powers Agreement" (as amended and effective January 1, 2008) (hereinafter "JPA") entitled "Powers and Functions" provides that none of the debts, liabilities or obligations of NCPA shall be the debts, liabilities or obligations of any of the members of NCPA unless assumed in a particular case by resolution of the governing body of the member to be charged." Notwithstanding the foregoing, Article V, section 1 of the JPA entitled "General Provisions" provides that "[t]he governing Commission of NCPA is authorized to procure public liability and other insurance as it deems advisable to protect NCPA and each of the parties hereto, charging the cost thereof to the operating costs of NCPA."

1.4 Contracting Member desires to secure NCPA's Services under this Agreement in a manner that balances its interests and the interests of other NCPA members with the ongoing financial viability and professional responsibilities of NCPA. Accordingly, Contracting Member desires to secure NCPA's Services under this Agreement by accepting a limited insurance based recourse against NCPA, with the option of procuring additional insurance at Contracting Member's sole expense, thereby ensuring that NCPA will substantially limit its risk for the provision of such Services which, in turn, allocates risks back to the Contracting Member in the event NCPA is not adequately insured,

1.5 Contracting Member and NCPA agree that the terms and conditions of this Agreement are made solely for the purpose of transferring Renewable Energy Certificates ("RECs") from NCPA to Contracting Member. The terms and conditions of this Agreement are specific to this Agreement and have no precedential value as to any NCPA Project Agreement.

1.6 Contracting Member has a Project Entitlement Percentage of the Capacity and Energy from a NCPA Project ("Project") as specified in the respective NCPA Project Agreement. Project Capacity and Energy includes, but is not limited to, all renewable and environmental attributes associated with the production of electricity from a renewable energy resource, including RECs. All NCPA Projects that are Registered Generating Units, and for which NCPA is issued and receives RECs are listed in Exhibit B of this Agreement. Contracting Member's allocated share of RECs attributable to Project generation is calculated pursuant to Section 4.2.

1.7 Contracting Member may be eligible to receive CVP RECs made available to a customer of the Western Area Power Administration's Sierra Nevada Region ("Western"). If NCPA, on behalf of Contracting Member, receives a transfer of CVP RECs from Western, Contracting Member may request its allocated share of CVP RECs be transferred in accordance with this Agreement, and Contracting Member agrees to be solely responsible for compliance with all applicable rules and obligations associated with CVP RECs as may be established by Western (e.g. CVP RECs may be nontransferable and may not be available for resale by Contracting Member). Contracting Member's allocated share of CVP RECs is calculated pursuant to Section 4.3.

1.8 NCPA has entered into an Account Holder Registration Agreement ("Terms of Use") with WREGIS and Services provided under this Agreement shall be performed in a manner that does not violate any of the rules or obligations contained in the Terms of Use.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth, NCPA and Contracting Member agree as follows:

Section 2. DEFINITIONS

Whenever used in this Agreement with initial capitalization, these terms shall have the following meanings as applicable, whether in the singular or plural:

2.1 "All Resources Bill" shall mean the single, combined monthly bill from NCPA to a NCPA Member or Project Participant, with respect to all NCPA programs and projects.

2.2 "Annual Budget" shall mean the budget for the ensuing Fiscal Year adopted by the Commission, as may be amended from time to time.

2.3 "Base Resource" shall mean Base Resource as that term is defined in Contract 04-SNR-00782 made between NCPA and Western.

2.4 "Capacity" shall mean the maximum load carrying ability of an electric generating unit or combination of units in kilowatts.

2.5 “Central Valley Project” shall mean the multipurpose Federal water and Power project extending from the Cascade Range in northern California to the plains along the Kern River, south of the City of Bakersfield, California.

2.6 “Commission” shall mean the NCPA Commission.

2.7 “CPUC” shall mean the California Public Utility Commission.

2.8 “CVP REC” shall mean RECs that may be associated with the megawatt-hours from Central Valley Project hydropower generation.

2.9 “Energy shall mean the electrical energy produced, flowing or supplied by generation, transmission or distribution facilities, being the integral with respect to time of the instantaneous power, measured in units of watt-hours or standard multiples thereof, e.g., 1,000 Wh=1kWh, 1,000 kWh=1MWh, etc.

2.10 “Fiscal Year” shall mean the NCPA fiscal year; currently the twelve month period beginning July 1 and ending on the next following June 30.

2.11 “Good Utility Practice” shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result of the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region and consistently adhered to by the electric utility industry.

2.12 “NCPA Members” shall mean the signatories to the JPA or those agencies which have executed an Associate Member Agreement with NCPA,

2.13 “NCPA Project” or “Project” shall mean generating resources and/or contractual rights to electric energy designated by the NCPA Commission as an NCPA Project.

2.14 “Project Agreement” shall mean any second phase, third phase or operating agreement relating to a specific NCPA Project.

2.15 “Project Participant” shall mean a NCPA Member or third party which enters into an agreement with NCPA relating to the second phase, third phase or operation of a NCPA Project.

2.16 “Project Participation Percentage” shall mean the percentage of participation of Contracting Member in an NCPA Project as specifically set forth in a Project Agreement.

2.17 “QRE” shall mean Qualified Reporting Entity as that term is defined by WREGIS.

2.18 “Registered Generating Unit” shall mean a generating unit that has registered its facility with the WREGIS Director.

2.19 "Renewable Energy Certificate" or "REC" shall mean WREGIS Certificate as that term is defined by WREGIS.

2.20 "Stranded Costs" shall mean all costs incurred by NCPA in providing Services to Contracting Member under this Agreement that could not reasonably be avoided by NCPA from the date it receives a written Notice of Termination. Such costs may include, but not be limited to, salary and employment costs, rent, utilities, or contracts incurred to provide Services under this Agreement,

2.21 "Uncontrollable Force" shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the Party claiming Uncontrollable Force which could not be avoided through the exercise of Good Utility Practice.

2.22 "Unit Energy Allocation Process" or "UEA" shall mean the process used by NCPA to allocate NCPA Project metered generation to Project Participants approved by the NCPA Commission, as modified from time to time,

2.23 "WREGIS" shall mean the Western Renewable Energy Generation Information System.

Section 3. SERVICES TO BE PROVIDED; AUTHORIZED REPRESENTATIVES; STANDARD OF PERFORMANCE

3.1 This Agreement is entered into by the Parties in order for NCPA to transfer RECs to Contracting Member as described in Exhibit A hereto ("Services").

3.2 NCPA agrees that Contracting Member has full and unfettered rights and title to its Project Entitlement Percentage share of Project Capacity and Energy and its allocated share of any RECs corresponding to NCPA Project generation as determined by WREGIS, and such right and title are transferable and available for resale by Contracting Member according to the terms and conditions of WREGIS. NCPA further agrees that, unless agreed to by Contracting Member in a separate contract, NCPA will not sell to third parties RECs arising from Contracting Member's share of Project Capacity and Energy.

3.3 Contracting Member agrees not to transfer, assign, sell or exchange any Project RECs, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the bonds supporting NCPA Projects in being treated as an obligation not described in Section 103(a) of the Internal Revenue Code of 1954, as amended, by reason of classification of such bond as an "industrial development bond" within the meaning of Section 103(b) of said Code. Should Contracting Member seek to transfer, assign, sell or exchange any Project RECs for a term greater than three (3) years, then Contracting Member will provide NCPA with sufficient notice of such intent to allow NCPA to secure an opinion of its bond counsel regarding potential tax effects of such a transfer, and the costs incurred by NCPA to secure bond counsel's opinion shall be charged to and paid by Contracting Member.

3.4 NCPA makes no representations as to whether any Project RECs and CVP RECs transferred to Contracting Member under this Agreement are marketable or qualify for or meet any renewable portfolio standards, renewable energy standards, or any other renewable type standard. NCPA is making the Project RECs and CVP RECs available to Contracting Member AS IS. It is the Contracting Member's responsibility to verify whether the Project RECs and CVP RECs transferred by NCPA will qualify for California, Federal, or other renewable requirements.

3.5 If any REC transferred by NCPA to Contracting Member is later determined by WREGIS, CPUC, or any other regulatory or enforcement agency having jurisdiction to be invalid or inaccurate for any reason, including, but not limited to, revised meter data, QRE errors or WREGIS errors, Contracting Member agrees to remedy the problem at Contracting Member's expense. If the same issue also involves other Contracting Members the affected Contracting Members shall be jointly responsible for remedying the problem at their expense.

If the invalidity or inaccuracy was created by an error by NCPA, then NCPA agrees to remedy the problem; provided that Contracting Member nonetheless agrees to pay all costs and losses caused by any error committed by NCPA unless the problem also involves other Contracting Members, in which case, all costs and losses will be allocated pro rata to all impacted Contracting Members based on the RECs in question,

3.6 The following are the Authorized Representatives of the parties for contract administration purposes under this Agreement:

David Dockham
Assistant General Manager, Power Management
651 Commerce Drive
Roseville, CA 95678
Phone: 916-781-4256
Fax: 916-781-4252
Dave.Dockham@ncpa.com

Elizabeth Kirkley
Electric Utility Director
1331 South Ham Lane
Lodi, CA 95242
Phone: 209-333-6828
Fax: 209-333-6839
ekirkley@lodielectric.com

No Authorized Representative is authorized to amend any provision of this Agreement except in accordance with Section 13.16.

3.7 Standard of Performance. NCPA will perform and or oversee, as applicable, the Services using that level of skill and attention reasonably required to complete the Services in a competent and timely manner.

3.8 Assignment of Personnel. NCPA shall assign only competent personnel to perform Services pursuant to this Agreement.

3.9 Time. NCPA shall devote such time to the performance of Services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 3.7, above and to satisfy NCPA's obligations hereunder.

Section 4. ALLOCATION OF RENEWABLE ENERGY CERTIFICATES

4.1 Establishing a WREGIS Account. Prior to submitting a request for NCPA to transfer RECs from NCPA's WREGIS account to Contracting Member, Contracting Member shall establish its own account with WREGIS and provide NCPA with documentation of its WREGIS account.

4.2 Allocation of NCPA Project RECs. RECs attributable to NCPA Project generation shall be allocated to Contracting Member in proportion to its allocated share of metered generation from a NCPA Project. Contracting Member's allocated share of metered generation from a NCPA Project is calculated in accordance with the UEA process. Contracting Member's allocated share of RECs attributable to a NCPA Project for which the metered generation from said Project cannot be allocated in accordance with the UEA process, will be equal to Contracting Member's Project Participation Percentage share of all RECs issued for the NCPA Project (e.g. NCPA hydro solar project).

4.3 Allocation of CVP RECs. Contracting Member's allocated share of CVP RECs held in NCPA's WREGIS account, if any, is equal to the total quantity of CVP RECs transferred to NCPA from Western on behalf of Contracting Member, whose share of total CVP RECs attributable to Central Valley Project hydroelectric generation is allocated by Western to Contracting Member based on its Base Resource percentage.

4.4 Partial REC Accounting. WREGIS will produce and issue RECs based on generation output. Pursuant to the Terms of Use one (1) REC will be created for each whole megawatt-hour of renewable energy that is produced. If the total amount of metered generation output from a NCPA Project is less than one (1) megawatt-hour for a specific vintage period a REC will not be created and issued by WREGIS until the total accumulation of metered generation output from a NCPA Project is equal to or greater than one (1) megawatt-hour,

4.4.1 If the total metered generation output from a NCPA Project is less than one (1) megawatt-hour for a specific vintage period, NCPA will track the total metered generation output from a NCPA Project in NCPA's WREGIS account until the total accumulation of metered generation output from a NCPA Project is equal to or greater than one (1) megawatt-hour. Once the total accumulation of metered generation output from a NCPA Project is equal to or greater than one (1) megawatt-hour, WREGIS will produce and issue a REC, and such REC will be allocated to Contracting Member in accordance with Section 4.2.

4.4.2 In accordance with the Terms of Use, NCPA may only transfer a whole number, or positive integer, of RECs from NCPA's WREGIS account to Contracting Member's WREGIS account. If resulting from the allocation of NCPA Project RECs as specified in Section 4.2, or the allocation of CVP RECs as specified in Section 4.3, Contracting Member is allocated a quantity of

Project RECs and/or CVP RECs for a specific vintage period, and from a specific source, that includes a fractional quantity of RECs (e.g. 1.5 RECs), the fractional quantity of RECs allocated to Contracting Member will be held in NCPA's WREGIS account on behalf of Contracting Member until Contracting Member is allocated additional fractional quantities of RECs provided from the same source so that the summation of such fractional quantities is equal to a whole number of RECs. Once a whole number of Contracting Member's RECs has accumulated in NCPA's WREGIS account, such quantity of RECs will be made available for transfer from NCPA to Contracting Member.

Section 5. TERM AND TERMINATION

5.1 Authorization to Perform Services. NCPA is not authorized to perform any Services or incur any costs whatsoever under the terms of this Agreement until its receipt of a written resolution and/or other appropriate/applicable authorization from Contracting Member's governing body confirming Contracting Member's authority to enter into this Agreement and confirming that the Contracting Member has allocated funds for and approved contract payments to NCPA under this Agreement.

5.2 Term. The term of this Agreement shall begin on the Effective Date and shall end when terminated by either Party upon two (2) years written notice or upon such date prior to two (2) years as mutually agreed upon by all Parties ("Notice of Termination"). Contracting Member shall pay NCPA for all fees and costs required under this Agreement through the effective date of its Notice of Termination plus all Stranded Costs. Upon payment of the above amounts, neither Party shall have any further obligations under this Agreement except as otherwise set forth in Section 6.7 regarding the survival of defense and indemnity obligations.

Section 6. INDEMNITY AND INSURANCE

6.1 Limitation of NCPA's Liability.

6.1.1 Except as provided in this section 6.1, NCPA shall not at any time be liable for any injury or damage occurring to Contracting Member or any other person or property from any cause whatsoever arising out of this Agreement.

6.1.2 The provisions of section 6.1.1 shall not apply where the injury or damage occurring to Contracting Member is caused by the negligence or willful misconduct of NCPA or of any employee, agent or contractor of NCPA, and provided that any liability under this subsection is limited to the extent of the actual coverage and coverage limits of the insurance policies described in this Section 6.

6.1.3 Contracting Member Liable for NCPA's Deductibles and or Self-Insured Retentions. Notwithstanding Section 6.1.2 above, the Contracting Member agrees to reimburse NCPA, in a timely manner, for all deductibles and/or self-insured retentions payable for any claim, liability or damage arising out of this Agreement.

6.2 Indemnification of NCPA. Except as specified in Section 6.1.2 above, Contracting Member shall, at its sole cost and expense, indemnify and hold harmless NCPA and all associated, affiliated, allied, member and subsidiary entities of NCPA, now existing or hereinafter created, and their respective officers, boards, commissions, employees, agents, attorneys, and contractors (hereinafter referred to as "Indemnitees"), from and against any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses and consultants), which may be imposed upon, incurred by or be asserted against the Indemnitees arising out of this Agreement.

6.3 Defense of Indemnitees. In the event any action or proceeding shall be brought against the Indemnitees by reason of any matter for which the Indemnitees are indemnified hereunder, Contracting Member shall, upon reasonable prior written notice from any of the Indemnitees, at Contracting Member's sole cost and expense, resist and defend the same with legal counsel mutually selected by Indemnitee and the Contracting Member, unless mutual selection of counsel is expressly prohibited by an applicable insurance policy; provided however, that neither Indemnitee nor Contracting Member shall admit liability in any such matter or on behalf of the other without express written consent, which consent shall not be unreasonably withheld or delayed, nor enter into any compromise or settlement of any claim for which Indemnitees are indemnified hereunder without prior express written consent. The Contracting Member's duty to defend shall begin upon receipt of a written notice identifying with specificity the allegations that give rise to this duty to defend.

6.4 Notice. The Parties shall give each other prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this Section 6.

6.5 Insurance. During the term of the Agreement and prior to beginning any work under this Agreement, NCPA shall maintain, or cause to be maintained, in full force and effect, and at its sole cost and expense, the types and limits of liability insurance as are annually approved by the Commission. The types and limits of liability insurance that are applicable to this Agreement are evidenced in policy summaries, which are attached hereto as Exhibit D. NCPA warrants and represents that the types of liability insurance and coverage limits shown in Exhibit D are in full force and effect and shall remain so during the term of this Agreement unless NCPA gives prior written notification (of not less than 30 days) of modification, cancellation or rescission of such coverage.

6.6 Contracting Member's Acknowledgment of Option to Secure Additional Insurance. The Contracting Member acknowledges that there are limitations on NCPA's liability to the Contracting Member under this Section 6 and that the Contracting Member may need to purchase additional insurance of its own to cover the additional risks and the potential additional liabilities it is assuming under this Agreement. Contracting Member agrees that it will cause, with respect to any additional insurance it obtains or which is otherwise available to Contracting Member, its insurers to issue an endorsement providing a waiver of subrogation rights as to Indemnitees.

6.7 Survival of Obligations. The defense and indemnity obligations of Section 6 shall survive the termination of this Agreement.

Section 7. COMPENSATION, CHARGES & REIMBURSEMENTS

7.1 Contracting Member hereby agrees to pay NCPA for its allocated share of all costs NCPA incurs for providing Services to Contracting Member. Such costs include REC transfer fees, direct costs associated with the management and transfer of RECs, NCPA management costs set forth in NCPA's then current Annual Budget, and any other reimbursable expenses incurred in performing the Services. All costs NCPA incurs for providing Services to Contracting Member will be allocated as set forth in Exhibit C and NCPA's then current Annual Budget. The Annual Budget will be updated and approved by the NCPA Commission, as it deems necessary, but not less than each year in connection with NCPA's Annual Budget process. Such approved updates will reflect NCPA's then current estimated annual cost for performing such continuing Services. Contracting Member shall pay NCPA for Services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified herein shall be the only payments from Contracting Member to NCPA for Services rendered pursuant to this Agreement. NCPA shall submit all invoices to Contracting Member in the manner specified herein.

NCPA and Contracting Member acknowledge and agree that compensation paid by Contracting Member to NCPA under this Agreement is based upon NCPA's estimated costs of providing the Services required hereunder, including salaries and benefits of employees and subcontractors of NCPA, if any. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which NCPA and its employees, agents, and subcontractors may be eligible. Contracting Member therefore has no responsibility for such contributions beyond compensation required under this Agreement.

7.2 Reimbursements. Contracting Member agrees to reimburse NCPA for NCPA's reasonable costs (including attorney's fees) to respond to any investigation by WREGIS, CPUC, or any other regulatory or enforcement agency having jurisdiction as to the validity of any transferred Project REC and CVP REC under this Agreement by NCPA to Contracting Member. If more than the Contracting Member's Project REC and CVP REC transfers are being investigated, NCPA agrees that all such costs shall be proportionately allocated among the applicable Contracting Members based upon the total number of Project RECs and CVP RECs under investigation,

Contracting Member further agrees to reimburse NCPA for NCPA's reasonable costs (including attorney's fees) of responding to any claim brought by a non-regulatory/non-enforcement third party concerning the RECs transferred under this Agreement from NCPA to Contracting Member. NCPA agrees that Contracting Member may independently appear in such proceeding and cooperate in the defense of any such claim if the Contracting Member so elects.

Section 8. BILLING AND PAYMENT

8.1 Invoices. NCPA shall submit invoices in the form of the All Resources Bill, based on the cost for Services performed and reimbursable costs incurred prior to the invoice date. Invoices shall be accompanied with adequate and proper supporting information and documentation for the Services performed, if and as applicable. For example:

- Volume of Project RECs and CVP RECs transferred to Contracting Member

8.2 Monthly Payment. Contracting Member shall make payments, based on invoices received, for Services satisfactorily performed, and for authorized reimbursable costs incurred as specified herein.

Payments shall be remitted directly to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Receivable

Except for an "Uncontrollable Force" as described in Section 10 hereof, any amount due and payable but not paid by Contracting Member on the invoice due date set forth on the invoice shall bear interest at the per annum prime rate (or reference rate) of the Bank of America NT & SA, then in effect, plus two percent per annum computed on a daily basis until paid. NCPA will mail all invoices within 24 hours of the invoice date thereon.

The postmark date on the envelope containing payment by check shall be used to determine timeliness of payment, except that payments received later than seven (7) days after the due date shall be declared late without regard to postmark date. An invoice coming due on a Friday, holiday, or weekend shall be due on the next following nationally recognized working day,

8.3 Billing Dispute. If all or any portion of a bill is disputed by Contracting Member, the entire amount of the bill shall be paid when due, and NCPA's Authorized Representative shall be concurrently provided written notice of the disputed amount and the basis for the dispute. NCPA shall reimburse any amount determined to have been incorrectly billed, within ten (10) days after such determination.

8.4 Total Payment. Contracting Member shall pay for the Services to be rendered by NCPA pursuant to this Agreement. Contracting Member shall not pay any additional sum for any expense or cost whatsoever incurred by NCPA in rendering Services pursuant to this Agreement other than the payments provided for herein unless the Agreement has been modified by a properly executed amendment in accordance with Section 13.16 this Agreement.

8.5 Payment of Taxes. NCPA is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

8.6 Payment upon Termination. In the event that Contracting Member or NCPA terminates this Agreement pursuant to Section 5, Contracting Member shall compensate NCPA for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. NCPA shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

Section 9. STATUS OF NCPA; FACILITIES AND EQUIPMENT

9.1 Independent Contractor. At all times during the term of this Agreement, NCPA shall be an independent contractor and shall not be an employee of Contracting Member. Contracting Member shall have the right to control NCPA only insofar as the results of NCPA's Services rendered pursuant to this Agreement. Contracting Member shall not have the right to control the means by which NCPA accomplishes Services rendered pursuant to this Agreement.

Section 10. UNCONTROLLABLE FORCES

10.1 Obligations of the Parties, other than those to pay money when due, shall be excused for so long as and to the extent that failure to perform such obligations is due to an Uncontrollable Force; provided, however, that if either Party is unable to perform due to an Uncontrollable Force, such Party shall exercise due diligence to remove such inability with reasonable dispatch. Nothing contained in this Agreement shall be construed as requiring a Party to settle any strike, lockout, or labor dispute in which it may be involved, or to accept any permit, certificate, contract, or any other service agreement or authorization necessary for the performance of this Agreement which contains terms and conditions which a Party determines in its good faith judgment are unduly burdensome or otherwise unacceptable.

10.2 Each Party shall notify the other promptly, by telephone to the other Party's operating personnel and Authorized Representative identified in Section 3.6, upon becoming aware of any Uncontrollable Force which may adversely affect the performance under this Agreement. A Party shall additionally provide written notice in accordance with Section 13.8 to the other Party within 24 hours after providing notice by telephone. Each Party shall notify the other promptly, when an Uncontrollable Force has been remedied or no longer exists.

Section 11. LEGAL REQUIREMENTS

11.1 Governing Law. The laws of the State of California shall govern this Agreement, without regard for the choice of law doctrine,

11.2 Compliance with Applicable Laws. NCPA and any subcontractors shall comply with all laws applicable to the performance of the Services hereunder.

11.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, NCPA and any subcontractors shall comply with all applicable rules and regulations to which Contracting Member is bound by the terms of such fiscal assistance program.

11.4 Licenses and Permits. NCPA represents and warrants to Contracting Member that NCPA and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that is legally required to practice their respective professions. NCPA represents and warrants to Contracting Member that NCPA and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.

11.5 Nondiscrimination and Equal Opportunity. NCPA shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by NCPA under this Agreement. NCPA shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of NCPA thereby.

NCPA shall include the provisions of this Subsection in any subcontract approved by Contracting Member's Contract Administrator or this Agreement.

Section 12. KEEPING AND STATUS OF RECORDS.

12.1 NCPA's Books and Records. NCPA shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for Services or expenditures and disbursements charged to the Contracting Member under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to NCPA pursuant to this Agreement.

12.2 Inspection and Audit of Records. Any records or documents that Section 12.1 of this Agreement requires NCPA to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Contracting Member. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Contracting Member or as part of any audit of the Contracting Member, for a period of three (3) years after final payment under the Agreement.

12.3 Confidential Information and Disclosure. During the term of this Agreement, either party ("Disclosing Party") may disclose confidential, proprietary or trade secret information (the "Information"), to the other party ("Receiving Party"). All such Information made available in a tangible medium of expression (such as, without limitation, on paper or by means of magnetic tapes, magnetic disks or other computer media) shall be marked in a prominent location to indicate that it is the confidential, proprietary and trade secret information of Disclosing Party at the time of disclosure to Receiving Party. Receiving Party shall hold Disclosing Party's Information in confidence and shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Information. Receiving Party shall not attempt to reverse engineer or in any manner create any product or information which is similar in appearance to or based on the Information provided by Disclosing Party. Receiving Party shall not disclose Disclosing Party's Information to any person other than Receiving Party's employees, agents, contractors and subcontractors who have a need to know in connection with this Agreement.

Receiving Party's confidentiality obligations hereunder shall not apply to any portion of Disclosing Party's Information which:

- (a) Has become a matter of public knowledge other than through an act or omission of Receiving Party;
- (b) Has been made known to Receiving Party by a third party in accordance with such third party's legal rights without any restriction on disclosure;
- (c) Was in the possession of Receiving Party prior to the disclosure of such Information by Disclosing Party and was not acquired directly or indirectly from the other party or any person or entity in a relationship of trust and confidence with the other party with respect to such Information;
- (d) Receiving Party is required by law to disclose; or
- (e) Has been independently developed by Receiving Party from information not defined as "Information" in this Agreement, as evidenced by Receiving Party's written records.

Receiving Party shall return or destroy Disclosing Party's Information (including all copies thereof) to Disclosing Party promptly upon the earliest of any termination of this Agreement or the Disclosing Party's written request. Notwithstanding the foregoing, Receiving Party may retain one copy of such Information solely for archival purposes, subject to the confidentiality provisions of this Agreement. The parties understand that each party is a public entity and is subject to the laws that may compel either to disclose information about the other's business.

Section 13. MISCELLANEOUS PROVISIONS

13.1 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

13.2 Venue. In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

13.3 Severability. If any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable by federal or state statute or regulation, but the remaining portions of the Agreement can be enforced without failure of material consideration to any Party, then the remaining provisions shall continue in full force and effect, To that end, this Agreement is declared to be severable. Provided, however, that in the event any provision is declared to be invalid, void or unenforceable, either Party may terminate this Agreement upon ten (10) days written notice given within five (5) days of receipt of notice of final entry of judgment.

13.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

13.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

13.6 Use of Recycled Products. NCPA shall endeavor to prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

13.7 Conflict of Interest. NCPA shall not employ any Contracting Member official or employee in the work performed pursuant to this Agreement. No officer or employee of Contracting Member shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

13.8 Notices. Unless this Agreement requires otherwise] any notice, demand or request provided for in this Agreement, or served, given or made shall become effective when delivered in person, or sent by registered or certified first class mail, to the persons specified below:

David Dockham
Assistant General Manager, Power Management
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Michael Dean
General Counsel
555 Capitol Mall, Suite 1200
Sacramento, CA 95814

Elizabeth Kirkley
Electric Utility Director
1331 South Ham Lane
Lodi, CA 95242

With a copy to:

D. Stephen Schwabauer
City Attorney
PO Box 3006
Lodi, CA 95241-1910

Whenever it is required, permitted, or desired in this Agreement that written notice or demand be given by any Party to any other Party, such notice or demand may be either personally served or sent by United States Mail, or facsimile, Notice shall be deemed to have been given when personally served, when deposited in the United States Mail, certified or registered with postage prepaid and properly addressed] or when transmitted by facsimile provided however, notices delivered by facsimile shall only be effective if delivered during regular business hours on a day that is considered a regular business day for NCPA by the involved Parties.

13.9 Integration; Incorporation. This Agreement, including all the Exhibits attached

hereto, represents the entire and integrated agreement between Contracting Member and NCPA relating to the subject matter of this Agreement, and supersedes all prior negotiations, representations, or agreements, either written or oral. All Exhibits attached hereto are incorporated by reference herein.

Exhibit A – Scope of Services

Exhibit B – NCPA Registered Generating Units

Exhibit C – Allocation of Costs and Fees

Exhibit D – NCPA Summaries of Liability Insurance

Exhibit E – Renewable Energy Certificates Transfer Request

13.10 Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Contracting Member and NCPA agree to resolve the dispute in accordance with the following:

13.10.1 Each Party shall designate a senior management or executive level representative to negotiate any dispute;

13.10.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority,

13.10.3 If the issue remains unresolved after ONE HUNDRED AND TWENTY (120) days of good faith negotiations, despite having used their best efforts to do so, either Party may pursue whatever other remedies may be available to it.

13.10.4 This informal resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code § 900, *et seq.*

13.11 Other Agreements. This Agreement is not intended to modify or change any other agreement between any of the Parties, individually or collectively.

13.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

13.13 Obligations Several. The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

13.14 Effect of Section Headings. Section headings and subheadings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretation of text.

13.15 Authority of Signatories. The signatories hereby represent that they have been appropriately authorized to execute this Agreement on behalf of the Party for whom they sign.

13.16 Amendments.

13.16.1 Deemed Approved Amendments. It is understood and agreed by the Parties that any NCPA Commission approved update to the then current NCPA Annual Budget rates and charges related to Services to be performed under this Agreement is deemed an approved amendment to this Agreement not requiring the consent of Contracting Member. Likewise, the addition of a Registered Generating Unit in Exhibit B hereto, or revisions to the form of Exhibit E by NCPA hereto are deemed an approved amendment to this Agreement not requiring the consent of the Contracting Member. A copy of any revised Exhibit B and Exhibit E will be provided to Contracting Member within thirty (30) days of such revision. Any such amendments to Exhibit B or Exhibit E shall not affect any completed REC transfers,

13.16.2 WREGIS Amendments. As of the execution date of this Agreement all Project RECs and CVP RECs that have been issued or transferred to NCPA are held in NCPA's WREGIS account, and the WREGIS Terms of Use are used as the standard for issuance, storage and transfer of RECs. If at some point after the execution date of this Agreement an alternative third party certifying entity is created and replaces WREGIS, or is used in addition to WREGIS for matters relating to RECs, or if the WREGIS Terms of Use are changed by WREGIS in a manner affecting this Agreement, NCPA and Contracting Member agree to amend this Agreement, as necessary, to reflect such change, and will make such amendments in good faith.

13.16.3 Authorized Representatives and Addresses for Notice. Either Party may, by providing written notice to the other party, modify either the identity or address for its Authorized Representative as identified in section 3.6, or may amend its address for notice as provided in Section 13.8.

13.16.4 Amendments in General. Except as otherwise provided in Section 13.16, the Parties may amend this Agreement only by a writing signed by all the Parties following each Party's receipt of written resolution/authorization from their governing bodies, which resolutions/authorizations shall be condition precedents to any amendments of this Agreement and shall be attached as Exhibits to this Agreement,

The Parties have executed this Agreement as of the Effective Date.

Northern California Power Agency

CITY OF LODI

JAMES H. POPE, General Manager

KONRADT BARTLAM, City Manager

Attest:

Attest:

Assistant Secretary of the Commission

Randi Johl, City Clerk

Approved as to Form:

General Counsel

Approved as to Form:

D. Stephen Schwabauer, City Attorney

EXHIBIT A SCOPE OF SERVICES

NCPA shall perform the following Services on behalf of Contracting Member pursuant to the Agreement between the Parties:

1. Contracting Member may direct NCPA to electronically transfer into Contracting Member's WREGIS account its allocated share, in whole megawatts-hours, of the RECs attributable to NCPA Project generation and CVP RECs as specified in Section 4 by completing and submitting to NCPA the Renewable Energy Certificates Transfer Request attached to this Agreement as Exhibit E. Such Renewable Energy Certificates Transfer Request must be executed and submitted by Contracting Member's Authorized Representative.

2. Such transfer shall be completed by the transfer of RECs as electronically recorded in NCPA's WREGIS account to the WREGIS account of the Contracting Member and will be considered final upon acknowledgement and acceptance of the transfer by Contracting Member in accordance with the WREGIS Terms of Use. Should any regulatory or other entity require additional or alternative means to evidence the transfer of the Project RECs or CVP RECs to the Contracting Member, NCPA will cooperate to meet that entity's reasonable requirements.

EXHIBIT B
NCPA REGISTERED GENERATING UNITS

The Following is a list of all NCPA Projects that are recognized by WREGIS as Registered Generating Units:

- Geothermal 1–Unit 1 – Geothermal 1
- Geothermal 1–Unit 2 – Geothermal 1
- Geothermal 2–Unit 3 – Geothermal 2
- Geothermal 2–Unit 4 – Geothermal 2
- COLVIL_7_PL1X1 – Collierville Powerhouse
- COLVIL_7_PL1X2 – Collierville Powerhouse
- Spicer_1_Units – Spicer Meadow Project
- Hydro–Solar – Hydro–Solar1

EXHIBIT C
ALLOCATION OF COSTS AND FEES

Costs and expenses resulting from Services provided under this Agreement will be allocated to Contracting Member as follows:

REC Transfer Fees

All volumetric costs and fees associated with Contracting Member's request for the transfer of Project RECs and CVP RECs will be charged directly to Contracting Member,

NCPA Management Costs

All costs associated with NCPA's management of this Agreement and/or costs associated with the management of Services provided under this Agreement (e.g. staff time and resources), if any, will be allocated to Contracting Member as set forth in NCPA's then current Annual Budget.

CVP REC Costs

All costs specifically and distinctly attributed to CVP RECs, except volumetric costs associated with the transfer of CVP RECs as described in Exhibit C, will be allocated to Contracting Member based on Contracting Member's allocated share, if any, of the total quantity of CVP RECs transferred to NCPA from Western.

Other Costs and Fees

All costs and fees incurred by NCPA while performing Services under this Agreement for which a cost allocation method is not defined herein will be allocated to Contracting Member based on the principle of cost causation.

EXHIBIT D
NCPA SUMMARIES OF LIABILITY INSURANCE

See the attached Summaries of the following insurance coverage:

1. Workers' Compensation & Employer's Liability
2. Automobile Liability & Physical Damage
3. Excess Liability
4. Professional Liability



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Workers Compensation and Employer's Liability Insurance Summary

INSURED Northern California Power Agency

COVERS California Statutory Workers' Compensation & Employer's Liability

TERM July 15, 2010-2011

INSURER Insurance Company of the State of Pennsylvania (AIG member company)

POLICY NUMBER WC 9876461

**ESTIMATED
ANNUAL
PREMIUM**

\$190,449 (includes \$14,227 for TRIA)
\$ 8,958 California Taxes, Assessments Surcharges

\$199,407

Earned premium determined at audit at conclusion of policy term using actual
July 1, 2010-2011 payroll and California rates on file at July 1, 2010.

California taxes, assessments, surcharges subject to audited premium.

LIMITS

Statutory for Workers' Compensation

Employer's Liability:

\$1,000,000 Bodily Injury by Accident-Each Accident
\$1,000,000 Bodily Injury by Disease-Policy Limit
\$1,000,000 Bodily Injury by Disease-Each Employee



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Automobile Liability & Physical Damage Insurance Summary

INSURED Northern California Power Agency
Northern California Municipal Power Corporation No. 2 and
Northern California Municipal Power Corporation No. 3

COVERS Automobile Liability & Physical Damage

TERM December 1, 2010 to December 1, 2011
At 12:01 Standard Time

INSURER The Hartford Fire Insurance Company

POLICY NUMBER 57UEN TL0013

**LIMITS OR
AMOUNTS**

Liability per accident	\$1,000,000
Uninsured Motorists	\$1,000,000
Underinsured Motorists	Included in Uninsured Motorists
Auto Medical Payments	\$ 5,000
Physical Damage – Comprehensive	Not Covered Owned Autos
Physical Damage – Collision	Not Covered Owned Autos
Physical Damage – Comprehensive	\$ 25,000 Hired Autos
Physical Damage – Collision	\$ 25,000 Hired Autos
Towing and Labor	Not Covered
Rental Reimbursement	Not Covered

Defense Cost: Paid in addition to the limits

Coverage Trigger: Accident

Liability Deductible: Each Accident Nil

Physical Damage Deductibles: Physical Damage – Comprehensive \$1,000
Physical Damage – Collision \$1,000



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**Automobile Liability & Physical Damage
Insurance Summary**

NET PREMIUM

\$31,217 Estimated Annual Premium, (net of commission), based on 73 units as of November 2010.

ENDORSEMENTS

INCLUDE

Terms and Conditions as Per Coverage Form: CA 0001 1001

Primary Hired Auto Insurance

Additional Insured- Nationwide

Auction Systems

Mexico – Excess (10 days only)

Pollution Liability for private passenger autos

Broad Form endorsement

War Exclusion

Nuclear Energy Exclusion



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Excess Liability Insurance Summary

INSURED Northern California Power Agency
Northern California Municipal Power Corporation No. 2 and
Northern California Municipal Power Corporation No. 3

COVERS Excess Liability
Claims-First-Made Form

TERM December 1, 2010 to December 1, 2011
At 12:01 Standard Time

Retroactive Date: December 1, 1986 at 12:01am Standard Time at the address of
the named insured Claims-First-Made Policy; Community Service Retroactive
Date: December 1, 1998; Pending and Prior Date for EPLI: December 1, 1994

INSURER Associated Electric & ~~Gas~~ Insurance Services, Ltd. (**AEGIS**) Form 8100(3/2007)
(Non Admitted Insurer)

POLICY NUMBER X0352A1A10

**LIMITS OR
AMOUNT**

- A. Limit of liability each occurrence: \$35,000,000
- B. Joint Venture Limit of Liability each occurrence:
Per limit of Liability section percentage of insured interest in JV within total
policy limits (not > \$35,000,000)
- C. Combined Products/Completed Operations Liability
Aggregate Limit of Liability: \$35,000,000
- D. Failure to Supply Liability Aggregate Limit of Liability: \$35,000,000
- E. Pollution Liability Aggregate Limit of Liability: \$35,000,000
- F. Incidental Medical Malpractice ~~Injury~~ Limit of Liability each occurrence:
\$35,000,000

Underlying Limits (Self Insured Retention)

- A. \$ 200,000 Any one occurrence – General Liability
- \$ 500,000 Any one occurrence – Pollution Liability
- \$1,000,000 Any one occurrence – Automobile Liability
- \$ 200,000 Any one occurrence – Emergency Assistance Agreement



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Excess Liability Insurance Summary

\$ 200,000 Any one occurrence – Employers Liability

LIMITS (CONT'D)

\$200,000 Any one occurrence – General Liability

(As respects New Spicer Recreation Area)

\$200,000 Each claimant/\$1,000,000 any one occurrence

Employment Practices Liability Insurance

\$200,000 Any one occurrence – Community Service Activity –

Retroactive Date: 12/1/98

B. As listed in the Underlying Limits Schedule

C. \$200,000 Each occurrence:

1. not covered by underlying insurance; and

2. not subject to a self insured retention listed in the Underlying Limits Schedule

D. In the event of any CLAIM(s) arising from any single occurrence which involves two or more Underlying Limits, the Underlying Limits shall apply in Combination

PREMIUM

\$243,964 (excluding surplus lines taxes & fees)

Flat, non-adjustable

ENDORSEMENTS INCLUDE

Named Insured Endorsement (#1)

Nuclear Energy Liability Exclusion (Broad Form) (#2)

Employment Practices Liability Endorsement (#3)

Aggregate Limit of Liability \$35,000,000

Self Insured Retention each claimant \$200,000

Self Insured Retention each occurrence \$1,000,000

Retroactive Date: December 1, 1994

Includes sudden and accidental pollution coverage for losses with a continuous duration of less than twenty four (24) hours and results from a malfunction of NCPA's equipment, Losses must become known to



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Excess Liability Insurance Summary

ENDORSEMENTS (CONT'D)

NCPA within 7 days from the incident and reported in writing within 60 days after the incident
Defense costs are included within and are not in addition to the limits of liability
Emergency Assistance Agreement Endorsement (#4)
Community Service Activity Endorsement (#5)
\$200,000 Self Insured Retention
Retroactive Date: December 1, 1998
Insured Endorsement (#6)

MAJOR EXCLUSIONS (including, but not limited to):

- Care, custody and control
- Workers Compensation
- Nuclear Liability
- War
- Loss of use of tangible property which has not been physically damaged or destroyed resulting from:
 - Failure to meet level of performance, quality, fitness or durability warranted or represented
 - Withdrawal, inspection, repair, replacement or loss of use of NCPA's product or work completed for NCPA
- Employee Benefits Liability
- Fines or penalties imposed by final adjudication of a court of competent jurisdiction.
- Failure to supply is excluded unless such failure is caused by an occurrence and the combined capacity of NCPA's installed production facilities and contractual agreements is equal to or greater than one hundred and ten percent (110%) of the electrical demand or one hundred percent (100%) of the gas demand (whichever is applicable) immediately preceding such failure on NCPA's electric or gas system



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**Excess Liability
Insurance Summary**

**MAJOR
EXCLUSIONS
(CONT'D)**

- Cost of Debris removal from any navigable body of water
- International bodily or personal injury
- Liability arising out of Uninsured/Underinsured motorists law
- Terrorism



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Professional Liability Insurance Summary

INSURED	Northern California Power Agency
COVERS	Professional Liability Insurance Claims-First-Made Form
TERM	March 27, 2010 to March 27, 2011 At 12:01 Standard Time Retroactive Date: December 1, 2002 (Designated Activities) May 24, 2005 (Accountant's Liability) Claims-First-Made Policy
INSURER	Associated Electric & Gas Insurance Services, Ltd. (AEGIS) (Non Admitted Insurer)
POLICY NUMBER	E0352A1A 10
LIMITS OR AMOUNT	\$10,000,000
DEDUCTIBLE	\$500,000
PREMIUM	\$58,000

EXHIBIT E
RENEWABLE ENERGY CERTIFICATES TRANSFER REQUEST

This document constitutes a "Renewable Energy Certificates Transfer Request", as described in the RENEWABLE ENERGY CERTIFICATES TRANSFER AGREEMENT ("Agreement"), dated as of _____. This Renewable Energy Certificates Transfer Request shall supplement and form part of the Agreement and shall be subject to the terms and conditions specified therein.

The undersigned Contracting Member and Project Participant hereby requests NCPA to electronically transfer into Contracting Member's WREGIS account Renewable Energy Certificates sourced from NCPA Project Capacity and Energy.

Registered Generating Units & CVP RECs

Select the Registered Generating Unit, or combination of units, and/or CVP RECs from which Contracting Member requests the transfer of Renewable Energy Certificates:

Registered Generating Units

- ☐ - Geothermal 1–Unit 1 –Geothermal 1; Fuel Type – Geothermal Energy
- ☐ - Geothermal 1–Unit 2 –Geothermal 1; Fuel Type –Geothermal Energy
- ☐ - Geothermal 2–Unit 3 – Geothermal 2; Fuel Type – Geothermal Energy
- ☐ - Geothermal 2–Unit 4 – Geothermal 2; Fuel Type – Geothermal Energy
- ☐ - COLVIL_7_PL1X1 – Collierville Powerhouse; Fuel Type – Hydroelectric Water
- ☐ - COLVIL_7_PL1X2 – Collierville Powerhouse; Fuel Type – Hydroelectric Water
- ☐ - Spicer_1_Units – Spicer Meadow Project; Fuel Type – Hydroelectric Water
- ☐ - Hydro–Solar – Hydro_Solar1; Fuel Type – Solar

CVP RECs

- ☐ - CVP RECs

Renewable Energy Certificate Transfer Account & Vintage Information

Provide the following information:

- (a) Registered Account Holder: _____
- (b) Active SubAccount: _____
- (c) Begin Vintage: _____
- (d) End Vintage: _____

- a. Enter "Continuous" as End Vintage if Contracting Member chooses to have Renewable Energy Certificates transferred as available on a forward basis
- b. If Contracting Member has previously requested a "Continuous" transfer of RECs as specified above, but chooses to stop the automatic transfer of RECs for future vintage periods, Contracting Member must provide a Renewable Energy Certificate Transfer Request with a stated End Vintage date for which Contracting Member chooses to halt the automatic transfer of RECs on a forward basis

Renewable Energy Certificate Transfer Quantity

Select one of the following to specify the quantity of Renewable Energy Certificates requested:

Renewable Energy Certificates Agreement

Version No. 1.1

Effective Date: 0512612011

- ☐ - Total Contracting Member's Allocated Share of NCPA Project RECs (Section 4); As Applicable
☐ - Total Contracting Member's Allocated Share of CVP RECs (Section 4); As Applicable
☐ - Fixed Amount (MWh)

If Fixed Amount selected above list requested amount for each Registered Generating Unit below:

- Geothermal 1–Unit 1 – Geothermal 1: _____ MWh
- Geothermal 1–Unit 2 – Geothermal 1: _____ MWh
- Geothermal 2–Unit 3 – Geothermal 2: _____ MWh
- Geothermal 2–Unit 4 – Geothermal 2: _____ MWh
- COLVIL_7_PL1X1 – Collierville Powerhouse: _____ MWh
- COLVIL_7_PL1X2 – Collierville Powerhouse: _____ MWh
- Spicer_1_Units – Spicer Meadow Project: _____ MWh
- Hydro–Solar – Hydro–Solar1: _____ MWh
- CVP RECs: _____ MWh

Those persons executing this Renewable Energy Certificates Transfer Request on behalf of Contracting Member hereby warrant that they are the "Authorized Representative" of Contracting Member as provided in the Agreement and are authorized to do so.

Member

City of Lodi

Authorized Representative

Elizabeth Kirkley

Date

RESOLUTION NO. 2011-102

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE NORTHERN CALIFORNIA POWER
AGENCY RENEWABLE ENERGY CERTIFICATES TRANSFER
AGREEMENT AND AUTHORIZING EXECUTION BY THE CITY
MANAGER WITH ADMINISTRATION BY THE ELECTRIC
UTILITY DIRECTOR

WHEREAS] Lodi is a member of Northern California Power Agency (NCPA), and has full and unfettered rights and title to its Project Entitlement Percentage of the Capacity and Energy attributable to NCPA project generation] as specified in the respective NCPA Project Agreements; and

WHEREAS, such project Capacity and Energy includes, but is not limited to, all renewable and environmental attributes associated with the production of electricity from a renewable energy resource] including Renewable Energy Certificates (RECs); and

WHEREAS, Lodi is also eligible to receive RECs made available to the customers of the Western Area Power Administration's Sierra Nevada Region ("Western") attributable to Western Base Resource hydroelectric generation; and

WHEREAS, NCPA has established an account with the Western Renewable Energy Generation Information System (WREGIS), and has been, and will continue to be, issued RECs by WREGIS sourced from NCPAs Registered Generating Units; and

WHEREAS, such RECs are initially issued to and are held by NCPA in its WREGIS account; and

WHEREAS, NCPA may, on behalf of Lodi, be transferred RECs from Western attributable to Lodi's share of Western Base Resource hydroelectric generation, consistent with Lodi's assignment of its Western Base Resource percentage to NCPA; and

WHEREAS] Lodi may utilize RECs to satisfy its compliance with renewable energy standards, and RECs may have certain monetary value; therefore, it is in the interest of Lodi to request NCPA to transfer Lodi's share of RECs attributable to its Project Entitlement Percentage of NCPA project generation and Western Base Resource hydroelectric generation held by NCPA to Lodi; and

WHEREAS, in order for NCPA to transfer to Lodi its share of RECs held in NCPAs WREGIS account, Lodi is required to 1) execute the Renewable Energy Certificates Transfer Agreement with NCPA and 2) establish an account with WREGIS; and

WHEREAS] the Renewable Energy Certificates Transfer Agreement solely provides for the transfer of RECs and does not include services from NCPA to sell or market RECs on behalf of Lodi; and

WHEREAS, by executing the Renewable Energy Certificates Transfer Agreement, City agrees not to transfer, assign, sell, or exchange any RECs sourced from NCPA project generation, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the bonds supporting NCPA project generation in being treated as an obligation not described in Section 103(a) of the Internal Revenue Code of 1954, as amended; and

WHEREAS, the Renewable Energy Certificates Transfer Agreement is structured so that Lodi accepts a limited insurance based recourse against NCPA, and includes the option that Lodi may procure additional insurance at its sole expense; and

WHEREAS, the fiscal impact to Lodi for executing the Renewable Energy Certificates Transfer Agreement includes costs resulting from REC transfer fees, direct costs associated with the management and transfer of RECs, NCPA management costs set forth in NCPA's then current Annual Budget, and any other reimbursable expenses incurred by NCPA in performing services on behalf of Lodi pursuant to the Renewable Energy Certificates Transfer Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the NCPA Renewable Energy Certificates Transfer Agreement, and further authorize execution by the City Manager with administration by the Electric Utility Director.

Dated: July 6, 2011

=====

I hereby certify that Resolution No. 2011-102 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 6, 2011, by the following vote:

AYES: COUNCIL MEMBERS - Hansen, Katzakian, Mounce, and
Mayor Johnson

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - Nakanishi

ABSTAIN: COUNCIL MEMBERS - None


RANDI JOHL
City Clerk